



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

July 28, 2004

Angela Corbin, Project Officer
Centers for Medicare and Medicaid Services
Mail Stop **S2-01-16**
7500 Security Boulevard
Baltimore, Maryland **21244-1850**

Dear Ms. Corbin:

This letter addresses issues related to proposed amendments to Michigan's HIFA Waiver.

Attached you will find a revised budget that incorporates assumptions related to two amendment submissions. These include revisions to the benefit package requested on February **11, 2004**, (commonly referred to as Amendment #1 which terminates the inpatient hospital benefit and eliminates co-pays for prescription drugs and emergency room services) and a request to freeze enrollment submitted on May **28, 2004**. We have made one modification to Amendment #1, making the pharmacy co-payment **\$1.00** to be equivalent with Medicaid adults. This change is reflected in the revised budget. Finally, the revised budget accomplishes the program objectives agreed upon, most notably maintaining an annual caseload of at least **62,000**.

This letter also formally withdraws a separate waiver amendment submitted on February **11, 2004**, commonly referred to as Amendment #2, which proposed some modest eligibility expansions with significant benefit constraints for non-disabled adults. Our need to accomplish both budgetary and programmatic objectives contained in this amendment remains and it is our intent to reformulate this package and resubmit. We expect to work informally with your office to that end.

As always, we appreciate your cooperation and assistance. Should you have questions, please contact Steve Fitton at (517) **335-5178**.

Sincerely,

/s/

Paul Reinhart, Director
Medical Services Administration

Enclosures

Cc: Cheryl Harris
Hye Sun Lee
Dell Gist
Julie Greenway